BTEC Assignment Brief

Qualification	Pearson BTEC Level 3 International Qualifications in Business
Unit number and title	**Unit 13: Cost and Management Accounting**
Learning aim(s) (For NQF only)	**A:** Explore absorption and marginal costing techniques for decision making. **B:** Carry out standard costing and variance analysis statements. **C:** Explore budgets for financial planning and control.
Assignment title	Exploring Cost and Management Accounting
Assessor	
Issue date	
Hand in deadline	

Vocational Scenario or Context	Cost and management accountants are concerned with providing information to help the decision making process in business. Cost accountants are primarily involved with the identification, classification and calculation costs vital to helping managers make decisions about prices and potential profits. Management accountants provide management with the information they need to forecast, control and evaluate costs. You have recently been appointed as a trainee in the accounts department of a large local organisation. You are working on a project within a small team headed up by your line manager looking into the application of management accounts and their role in financial planning.

Task 1	You have to write a report that includes the following: - An explanation of the different types of costs, main costing methods and their uses. - An assessment that compares, contrasts and evaluates the usefulness of absorption and marginal costing techniques - An assessment of the significance of non-financial factors that can affect costings and budgetary control systems. You are required to calculate and apply absorption costing from a given scenario/case study. You will also create a table of overall and sub variance calculations from a given

	scenario/case study using standard costing. Next, you have been asked to write a report that includes the following: - An examination and analysis of the variances. - The possible reasons for and interrelationship between the overall and sub variances. - Identify variances that need further investigation. - Recommendations to improve the financial performance of the business studied You must then complete a final report that includes the following: - An explanation of the main types of budgets used. - An analysis of the main purposes of budgeting as a management tool in planning and control. - An evaluation of the advantages and limitations of costing and budgetary control systems to the business. You will also need to complete practical exercises to prepare suitable subsidiary and master budgets.
Checklist of evidence required	*A written report* *Accurate absorption and marginal cost statements* *A table of overall and sub variance calculations* *Accurate subsidiary and master budgets*

Criteria covered by this task:	
Unit/Criteria reference	To achieve the criteria you must show that you are able to:
13/BC.D2	Evaluate the usefulness of costing and budgetary control systems to the business.
13/A.D1	Make justified recommendations to improve the financial performance of the business in the given scenarios.
13/C.M3	Assess the viability of the completed budgets in a given scenario.
13/B.M2	Analyse the reasons for the variances in given scenarios.
13/A.M1	Assess the appropriateness of absorption and marginal costing techniques used for decision making, in given scenarios.
13/C.P5	Prepare accurate subsidiary and master budgets in a given scenario.
13/C.P4	Explain how budgeting is used in a selected business for financial planning and control.
13/B.P3	Calculate sub and overall variances in given scenarios using standard costing.
13/A.P2	Produce accurate absorption and marginal cost statements for given scenarios.
13/A.P1	Categorise and explain different types of costs and costing methods in given scenarios.

Sources of information to support you with this Assignment	www.accountingcoach.com www.accountlearning.blogspot.com

	www.bbc.co.uk/bitesize www.careerride.com www.ehow.com www.smallbusiness.chrom.com www.businesscasestudies.co.uk The Times 100 has economics and business case studies. The site also has a selection of theory notes aimed at learners. **Above are some examples of websites. Further useful resources may be found at** http://qualifications.pearson.com/en/support/published-resources.html#step1
Other assessment materials attached to this Assignment Brief	